

**REMARKS**

The Office Action in the above-identified application has been carefully considered and this amendment has been presented to place this application in condition for allowance.

Accordingly, reexamination and reconsideration of this application are respectfully requested.

Claims 1, 3, 5–13, and 15–20 are in the present application. It is submitted that these claims, are patentably distinct over the prior art cited by the Examiner, and that these claims are in full compliance with the requirements of 35 U.S.C. § 112. Changes to the claims, as presented herein, are not made for the purpose of patentability within the meaning of 35 U.S.C. sections 101, 102, 103 or 112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled. Claims 1, 4, and 14 are canceled.

Claims 1–20 were rejected under 35 U.S.C. § 102(3) as being anticipated by Kobayashi et al. (U.S. Patent 6,466,625). Note Kobayashi has a common inventor with the present application. However, Kobayashi fails to anticipate the present invention for at least the following reasons.

The present invention not only adaptively filters the data to be encoding, but also “adaptively correct[s] the image quality of said decoded video data using a transfer function on the basis of the degree of coding difficulty.” (Claims 1, 13, 19, and 20) In this manner, the adaptive image quality correction circuit 50 adaptively corrects the image quality of the decoded data to match with the adaptive filtering used in the encoding process. (Figure 1, Specification pages 23-24) The Examiner contends this limitation is met by Kobayashi’s picture quality correction circuit 15 shown in Figure 4. (Office Action page 3) However, Kobayashi’s picture

quality correction circuit 15 simply performs a standard correction operation (Column 7, Lines 15-31) similar to the uniform compensation operations distinguished in the background of the present specification at page 3. Thus, Kobayashi fails to disclose “adaptively correcting using a transfer function” as required in the present claims.

Further, the present invention “adaptively filtering said input video data using a transfer function.” (Claims 1, 13, 19, and 20) The transfer functions (G or H) used to perform the adaptive filtering are disclosed on page 19 of the specification. By contrast, Kobayashi performs a low-pass filtering operation using predetermined filter coefficients. (Column 8, Lines 5-40).

Moreover, the present invention “computing the degree of coding difficulty on the basis of a motion compensation remaining difference.” (Claims 1, 13, 19, and 20) The motion compensation remaining difference is calculated by the circuit shown in Figure 3. The Examiner contends this limitation is met by Kobayashi’s motion compensation inter/intra frame prediction circuit 32 in Figure 13. However, Kobayashi’s motion compensation inter/intra frame prediction calculates predictions based on the motion vector, rather than the difference between a V-filtered and motion compensated block of video data and an original block as required in the present invention.

Accordingly, for at least these reasons, Kobayashi fails to anticipate the present invention and the rejected claims should now be allowed.

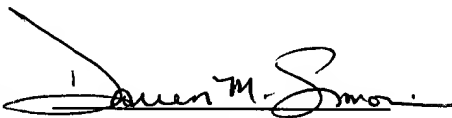
In view of the foregoing amendment and remarks, it is respectfully submitted that the application as now presented is in condition for allowance. Early and favorable reconsideration of the application are respectfully requested.

No additional fees are deemed to be required for the filing of this amendment, but if such are, the Examiner is hereby authorized to charge any insufficient fees or credit any overpayment associated with the above-identified application to Deposit Account No. 50-0320.

If any issues remain, or if the Examiner has any further suggestions, he/she is invited to call the undersigned at the telephone number provided below. The Examiner's consideration of this matter is gratefully acknowledged.

Respectfully submitted,  
FROMMER LAWRENCE & HAUG LLP

By:

A handwritten signature in black ink, appearing to read "Darren M. Simon", written over a horizontal line.

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